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Message Text

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ACTION EA-12

INFO OCT-01 EB-08 ISO-00 /021 W
----------022739 100507Z /15/10
P 040432Z AUG 78
FM AMEMBASSY WELLINGTON
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 6027
AMCONSUL SYDNEY
AMCONSUL AUCKLAND POUCH

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C O R R E C T E D C O P Y (TEXT PARAS 2 TO 4 ADDED)

E.O.11652:N/A
TAGS: BEXP, NZ
SUBJECT: AIEE NEW ZEALAND REPFIND, MARKET BRIEF

REF: (A) USDOC 12580, (B) AUCKLAND 0433

1. SUMMARY: THE FOLLOWING IS A JOINT MESSAGE FROM AMEMBASSY WELLINGTON AND AMCONSUL AUCKLAND. THE NEW ZEALAND MACHINE TOOL MARKET IS CURRENTLY DEPRESSED, BECAUSE OF THE RECESSION NEW ZEALAND IS EXPERIENCING. THERE IS MUCH EXCESS CAPACITY IN THIS COUNTRY'S MACHINE SHOPS WHICH MAYBE UTILISED IF RECENT REFLATIONARY MEASURES HAVE AN IMPACT. IF THIS HAPPENS THE DEMAND FOR NEW EQUIPMENT SHOULD IMPROVE AS MUCH OF THE MACHINERY PRESENTLY BEING USED IS OLD BY MODERN DAY STANDARDS, AND A REPLACEMENT PROGRAM COULD BE ENVISAGED. THE PROPOSED REPFIND IS VERY TIMELY AS IT WILL ENABLE NEW-TO-MARKET AMERICAN FIRMS TO BECOME KNOWN IN NEW ZEALAND AND BE IN A POSITION TO TAKE ADVANTAGE OF ANY RENEWED ACTIVITY. ALTHOUGH THE MARKET MAY BE PRESENTLY STATIC, U.S. SUPPLIERS OF MACHINE TOOLS AND ACCESSORIES ARE INCREASING THEIR
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SHARE OF THIS MARKET BECAUSE OF THE GOOD NAME THEY HAVE ESTABLISHED THROUGH COMPETITIVE PRICES, PROMPT DELIVERY AND EXCELLENT QUALITY.

2. STATISTICS:
(A) NEW ZEALAND IMPORTS OF MACHINE TOOLS FOR METAL WORKING. DOLS NZ,000 C.I.F. CALENDAR YEAR

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- 1976 1977
- AUSTRALIA 997 1217
- CANADA 34 1651
- CZECHOSLOVAKIA 367 427
- WEST GERMANY 1851 2909
- ITALY 584 944
- JAPAN 963 2152
- TAIWAN 117 524
- USSR 589 606
- U.K. 3586 2734
- U.S.A. 1328 1911
- (10.8 PCT SHARE) (11.1 PCT SHARE)
- TOTAL 12297 17266

(B) PARTS AND ACCESSORIES FOR MACHINE TOOLS.
DOLLARS N.Z.'000. C.I.F. CALENDAR YEARS.

- 1976 1977

- AUSTRALIA 341 378
- WEST GERMANY 476 452
- SWEDEN 159 150
- U.K. 894 1154
- U.S.A. 438 999
- (14.9 PCT SHARE) (24.7 PCT SHARE)
- TOTAL 2942 4044

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N.B. DOLLARS N.Z. 1.00 DOLLARS U.S. 1.0573 AS OF
AUGUST 2, 1978.

3. INVESTMENT IN MACHINERY AND MACHINE TOOLS HAS BEEN VERY MODEST OVER THE PAST SIX MONTHS. MOST IMPORTERS HAVE REPORTED THEIR QUIETEST PERIOD FOR MANY YEARS. IF THE RECENT REFLATIONARY MEASURES HAVE THE DESIRED IMPACT THE EXCESS CAPACITY THAT IS PRESENTLY IN THE MARKET SHOULD SOON BE UTILISED. AT THIS STAGE A REPLACEMENT PROGRAM CAN BE ENVISAGED AS MUCH OF THE EQUIPMENT PRESENTLY IN USE IS OLD BY MODERN DAY STANDARDS.

4. U.S. MACHINE TOOLS AND PARTS ARE INCREASING THEIR SHARE OF THE NEW ZEALAND MARKET. PURCHASERS OF THIS EQUIPMENT ARE BECOMING MORE FAVORABLY DISPOSED TOWARDS U.S. SUPPLIERS BECAUSE OF QUALITY, PROMPT DELIVERY, AND NOW, MORE IMPORTANTLY, BECAUSE OF EXCHANGE RATE MOVEMENTS, PRICE. IMPORTERS ARE BECOMING INCREASINGLY DISENCHANTED WITH TWO OF THE U.S.'S MAIN COMPETITORS IN THIS FIELD, NAMELY JAPAN AND AUSTRALIA. THESE TWO

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COUNTRIES ARE HAVING TO IMPOSE SHARP PRICE RISES. ALL COMPANIES APPROACHED BY THE POSTS WOULD WELCOME A CLOSER ASSOCIATION WITH U.S. SUPPLIERS AND THERE IS CONSIDERABLE INTEREST IN THE POSSIBILITY OF A REPFIND.

5. U.S. SUPPLIERS SHOULD NOTE THAT THE MAJORITY OF NEW ZEALAND MACHINE SHOPS ARE TWO OR THREE MAN BUSINESSES AND CONSEQUENTLY THE DEMAND IS GREATER FOR CHEAPER, LESS SOPHISTICATED EQUIPMENT WHICH IS VERSATILE AND ABLE TO PERFORM A VARIETY OF FUNCTIONS.
6. ONE POSSIBLE PROBLEM ALWAYS FACING IMPORTERS IN NEW ZEALAND IS THE GOVERNMENT'S IMPORT LICENSING SYSTEM. OFFICIALS FROM THE N.Z. CUSTOMS DEPARTMENT WORKING FROM PRODUCT LITERATURE, HAVE INFORMALLY
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CLASSIFIED THE MACHINERY OF THOSE COMPANIES WHO APEAR

TO BE SEEKING AGENTS. WE HAVE WRITTEN TO THE DEPARTMENT REQUESTING FORMAL CLASSIFICATIONS AND INFORMATION ON LICENSING, CUSTOMS DUTIES, SALES TAX; ANSWERS SHOULD BE AVAILABLE IN THREE WEEKS. SHOULD ADDITIONAL COMPANIES EXPRESS INTEREST IN THE REPFIND, EMBASSY WILL NEED COPIES OF LITERATURE WITH TECHNICAL SPECIFICATIONS TO ENABLE SIMILAR DETERMINATIONS TO BE MADE.

7. THE PROVISIONAL CLASSIFICATIONS WE HAVE SO FAR ARE:

CUSHMAN INDUSTRIES - PRODUCTS ARE EXEMPT FROM IMPORT LICENCE BUT ARE SUBJECT TO 10 DUTY.

LITTLE SCOTCHMAN INDUSTRIES - PRODUCTS HAVE BEEN PROVISIONALLY CATEGORIZED AS C ITEMS, INDICATING TIGHT LIMITATIONS ON QUANTITIES WHICH MAY BE IMPORTED. SUBJECT TO 10 DUTY.

J. & S. TOOL COMPANY INC. - EXEMPT OF IMPORT LICENCE, EXCEPT LIVE CENTERS WHICH ARE C ITEMS. ALL PRODUCTS SUBJECT TO 10 DUTY.

LIVERNIOS AUTOMATION CO. - C ITEM - 10 DUTY.

BIRD JOHNSON CO. - EXEMPT FROM LICENSING, 10 DUTY.

FLOW TECHNOLOGY INC. - ALL ITEMS EXEMPT FROM LICENSING AND FREE OF DUTY, EXCEPT SIGNAL PRE-AMPLIFIERS WHICH ARE SUBJECT TO 20 PCT DUTY

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ACTION EA-12

INFO OCT-01 EB-08 ISO-00 /021 W
----------090036 040505Z /10
P 040432Z AUG 78
FM AMEMBASSY WELLINGTON
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 6028
AMCONSUL SYDNEY
AMCONSUL AUCKLAND

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6. PARA 3 REFTEL (A) HAS BEEN ANSWERED BY REFTEL (B).
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780343-0657, D780320-0587
Format: TEL
From: WELLINGTON
Handling Restrictions: n/a
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Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 AUCKLAND 433, 78 AUCKLAND 4339
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1828514
Secure: OPEN
Status: NATIVE
Subject: AIEE NEW ZEALAND REPFIND, MARKET BRIEF
TAGS: BEXP, NZ
To: COM
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/60861d68-c288-dd11-92da-001cc4696bcc
Review Markings:
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